Regional Update

Gulf of Mexico OCS Region

May 22, 2002

to

OCS Policy Committee

Chris Oynes Regional Director

General status of Gulf

Recent events

General Status

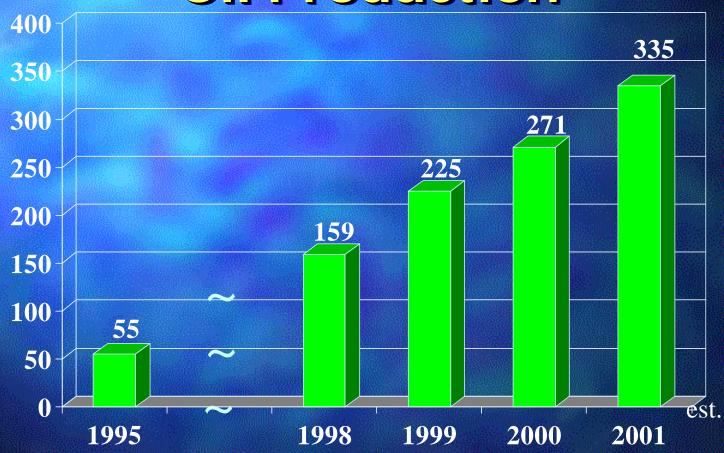
- A new estimate of production in 2001 was released on March 22, 2002.
- A new comprehensive review of activity in deepwater was released May 2002. (OCS Report MMS 2000-021, "Deepwater Gulf of Mexico 2002: America's Expanding Frontier")
- A new production projection to 2006 is being released.

Gulf of Mexico Deepwater Gas Production



■ Billions of Cubic Feet (BCF) Per Year

Gulf of Mexico Deepwater Oil Production

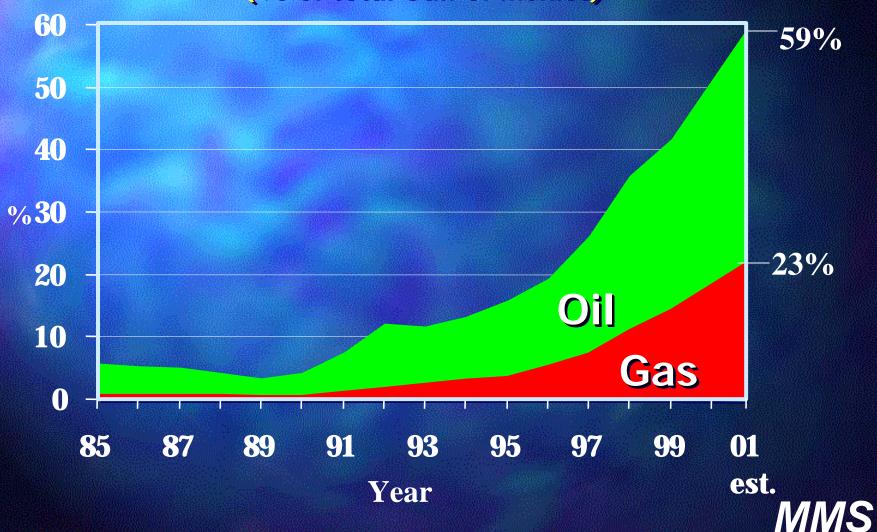


Millions of Barrels Per Year



GOM OCS Deepwater Production

(% of total Gulf of Mexico)



2002 Projected Deepwater Production Starts



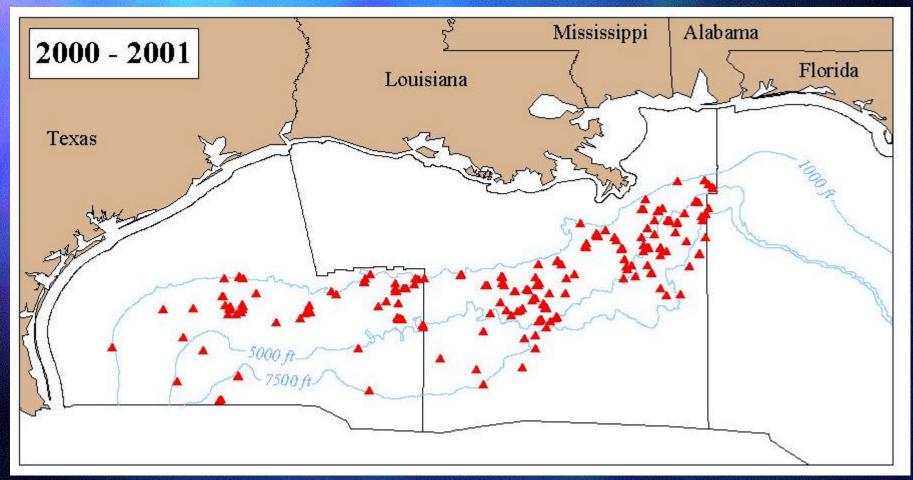
Western Planning Area

Central Planning Area

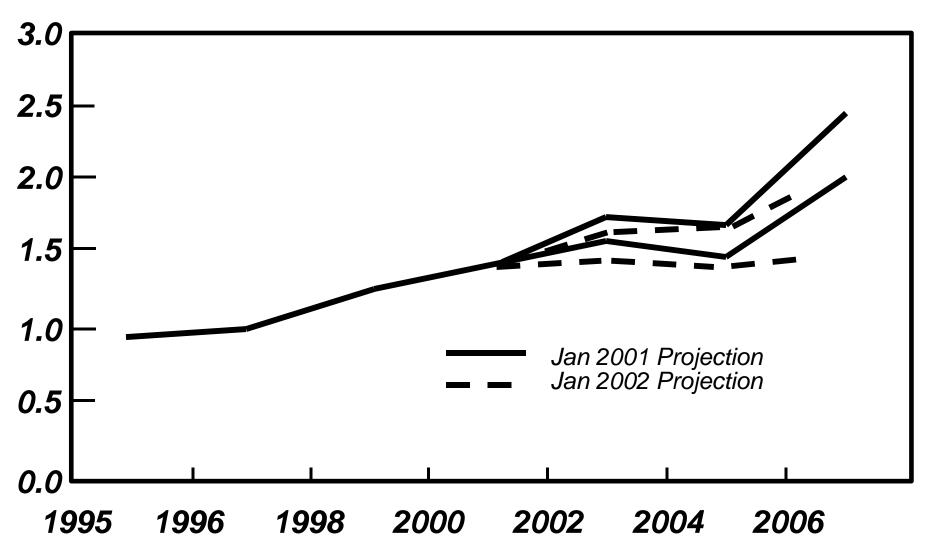
Other Notable Items in MMS 2002 - 021

- 51 total deepwater projects were in production at the end of 2001.
 - 30 were sub-sea completions tied back to some other project
 - √ 7 were large TLP's
 - 4 were mini-TLP's
 - 4 spars/caissons
 - √ 3 compliant towers
- 421 deepwater wells were drilled in 2000 01 (294 were exploratory wells)

Gulf of Mexico Deepwater Exploratory Wells Drilled



GOM Oil Production Projection 2006



Racent Events

- Draft EIS hearings were held in May 2002 for the nine sales in 2003 - 07
- Scoping meetings were held in February 2002 for the next two Eastern Gulf Sales (Sales 189 and 197)
- Proposed Notice of Sale for the next Western Gulf of Mexico Sale was issued. Sale 184 is scheduled for August 2002.

Recent Events

- MMS is planning a deepwater environmental studies workshop on May 29 -31 in New Orleans.
- This is a five year follow up to the 1997 workshop.

This workshop will review current and future deepwater activity and identify environmental research issues that remain. Identify gaps.

Recent Events



- Unocal drilled a discovery well at Alaminos Canyon Block 903 in 9,727 feet of water on October 2001.
- World record water depth
- Unocal will soon drill a third well to appraise the size of the discovery ("Trident").